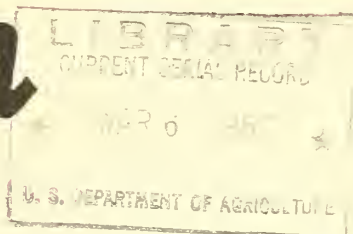


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Foreign



CROPS AND MARKETS

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CONTENTS

	PAGE
COTTON	
Italy's Cotton Imports and Consumption on Higher Level	33
Pakistan's Second Official Cotton Acreage Estimate Below Last Year	34
Austria Imports More U.S. Cotton Than Last Year	35
COUNTRY AND MISCELLANEOUS DEVELOPMENTS	
Larger Crops and Livestock Numbers Reported for Soviet Union in 1956	18
Ecuador Increases Its Agricultural Exports	37
DAIRY AND POULTRY PRODUCTS	
Huge Butter Stocks Causing Concern in Netherlands	7
Venezuelan Government Sells Controlling Interest in Dairy Plant	7
Italy's Dairy Trade Up	8
Federation of Rhodesia Relaxes Dollar Butter Import Controls	8
FATS, OILSEEDS AND OILS	
Ceylon's Exports of Copra Up; Coconut Oil Down	14
Burma's Peanut Production Down 10 Percent	20
World Flaxseed Production Up One-Third in 1956	25
India's Peanut Crop Estimated Still Lower	36
Venezuela to Import Sesame Seed for Domestic Use	37
Argentina Exports Olive Oil	37
Japan's Soybean Imports Rank Sixth in Value of Total Imports	38
FRUITS, VEGETABLES AND NUTS	
New Zealand Expands Frozen Fruit and Vegetable Exports	8
Canada to Renegotiate Potato Concessions	9
New Zealand Apple Shipments Started	9
Export Season for Spanish Early Oranges Nearly Over	9
Spanish Government Reduces Almond and Filbert Export Prices	17
Large Chilean Dried Prune Crop Forecast	17
Turkey Marketing Record Filbert Crop	24
Turkey Imposes Firmer Controls Over Pistachios	30
Good Home Market for Large Turkish Walnut Crop	30
Opening Prices for Commonwealth Canned Fruit	30
Argentine Pear Export Outlook Good	32
Largest Greek Currant Crop Since 1941	32
Dutch Pea Exports Expected to Increase	32

(Continued on following page)

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D. C.

CONTENTS
(Continued from Cover Page)

	Page
GRAINS, GRAIN PRODUCTS, SEEDS AND FEEDS	
Irish Farmers Guaranteed \$1.90 Per Bushel for Malting Barley.....	5
Egyptian Government Seizes Rice.....	6
Italy Offers Courses in Rice Growing.....	8
Second Survey Confirms Record World Corn Crop.....	20
LIVESTOCK AND MEAT PRODUCTS	
Canadian Cattle Numbers Rise.....	10
Australian Wool Prices Continue to Rise.....	11
Cuba Authorizes Imports of Uruguayan Jerked Beef.....	12
German Outbreak of Foot-and-Mouth Disease Shows Several Types.....	12
Wool Imports to Japan Rose in 1956.....	12
U.K. Subsidies Increase Domestic Production of Meat.....	12
British Study Problems in Sausage Manufacture.....	13
Meat Shortage in Syria.....	13
Japanese Imports of Hides and Skins Increased in 1956.....	13
Ireland Ships Meat to Algeria.....	14
Uruguayan Wool Production Indicated at 172 Million Pounds.....	16
Argentine Production and Exports of Meat Increased Substantially.....	16
Venezuela to Establish Brangus Herd.....	16
New Zealand Lamb Crop Reaches New High.....	17
TOBACCO	
Canadian Tobacco Exports Down 19.9 Million Pounds.....	3
Venezuelan Cigarette Output Continues to Rise.....	3
Malaya Levies Excise Tax on Domestic-Grown Tobacco.....	3
Indonesia's 1956 Flue-Cured Crop Revised Upward.....	4
Renewed Indonesian-Yugoslav Trade Agreement Includes Tobacco.....	4
Output of Tobacco Products Rises in the Union of South Africa.....	4
TROPICAL PRODUCTS	
Export of Australian Feed Molasses Restricted.....	38

FOREIGN CROPS AND MARKETS

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CANADIAN TOBACCO EXPORTS DOWN 19.9 MILLION POUNDS

Canadian exports of unmanufactured tobacco in the first 9-months of 1956, totaling 24.3 million pounds, were 19.9 million or 45 percent below the January-September 1955 level of 44.2 million. Shipments of flue-cured totaled 22.7 million pounds, compared with 41.3 million last year. Exports of Burley and dark air/fire-cured were 19.5 and 74.0 percent larger than the January-September 1955 levels of 948,000 and 77,000 pounds, respectively. Exports of stems and cuttings, principally to the United States, were substantially below the January-September 1955 period.

Lower exports of leaf tobacco to the United Kingdom and Australia accounted for most of the decline. However, total shipments, principally flue-cured, to continental Western Europe increased from .5 to 2.5 million pounds. Flue-cured shipments to the Netherlands rose from .4 to 1.2 million pounds while nearly .8 million was sent to Western Germany, which had not taken any leaf tobacco from Canada in the first 9-months of 1955. Also, combined exports to Jamaica, Trinidad, British Guiana and Barbados were 9.7 percent above the January-September 1955 level of 2.4 million pounds.

VENEZUELAN CIGARETTE OUTPUT CONTINUES TO RISE

Cigarette output in Venezuela during the first 8-months of 1956, totaling 2.28 billion pieces, was about 6 percent larger than the January-August 1955 level of 2.15 billion. Currently, the Venezuelan manufacturers of American-type cigarettes are reportedly considering once again using Cumarin, the aromatic extract of tonka beans, as cigarette flavoring. The reason given is that the synthetic now being used is not as fragrant as cumarin. The use of cumarin would be a boon to the Banco Agricola y Pecuario since it possesses a substantial quantity of tonka beans in its warehouses. Tonka beans, reportedly, have been in surplus for some time for lack of a market.

MALAYA LEVIES EXCISE TAX ON DOMESTIC-GROWN TOBACCO

The Federation Government of Malaya reportedly has introduced a number of new taxes and duties on a number of commodities, including locally-grown tobacco, designed to raise additional revenues, effective November 7, 1956. The new excise tax on locally-grown tobacco is \$.50 Malayan (16.5 U.S. cents) per pound and is equivalent to 2 or 3 Malayan cents per 20 cigarettes. The new excise tax is less than 10 percent of the customs duty levied on imported leaf. Therefore, the protectionist policy which has allowed locally-grown leaf to improve its position in recent years is not seriously affected. The new excise tax on tobacco is expected to yield about \$4 million Malayan in 1957.

INDONESIA'S 1956 FLUE-CURED CROP REVISED UPWARD

The Indonesian 1956 flue-cured tobacco crop is now reportedly placed at 23.0 million pounds, 2.1 million above an earlier estimate but 14.4 percent below the 1955 record crop of 26.9 million. The area harvested in 1956 established a new high, increasing from 64,318 acres in 1955 to 92,247 in 1956. Most of the increase in acreage occurred in East Java. The quality of the 1956 crop is reported to be higher than that of the previous crop.

Further expansion in flue-cured production for 1957 is reportedly forecast, weather permitting, due to recent steps taken by the Indonesian Government to become less dependent on foreign sources of supply. These measures include the increase of the special import levy on unmanufactured tobacco in September 1956 from its former rate of 50 to 150 percent; a 50 percent increase in the fixed retail price of "white" cigarettes, which became effective January 1, 1957; and continued technical aid for producers by the extension service. The probable effect of the measures will be to raise domestic prices, thus inducing farmers to increase production by switching from other crops to flue-cured tobacco.

Production of "Deli" wrapper tobacco in Sumatra continues to be affected by the squatter problem. Measures taken to settle this problem are now being hampered by the unsettled political situation that has existed in Sumatra since late December 1956. Some estates reportedly warned that they would have to discharge workers in January if squatters were not removed from lands needed for the 1957 crop.

RENEWED INDONESIAN-YUGOSLAV TRADE AGREEMENT INCLUDES TOBACCO

The Trade Agreement of June 11, 1953, between Indonesia and Yugoslavia, has reportedly been modified and extended for another year following the conclusion of negotiations held at Belgrade December 14, 1956. In accordance with Indonesia's recently announced policy, the new agreement does not contain quotas but provides for payment in transferable pound sterling rather than by a clearing account. The agreement includes Indonesian tobacco as one of the items available for export in exchange for Yugoslav goods. Indonesian trade statistics during the past few years do not show any leaf tobacco exports to Yugoslavia.

OUTPUT OF TOBACCO PRODUCTS RISES IN THE UNION OF SOUTH AFRICA

The output of manufactured tobacco continued to increase in the Union of South Africa during the first 6-months of 1956, rising 1.6 million pounds over the first half of 1955. This continues the increase in output which rose from 42.5 million pounds in calendar 1954 to 44.1 million in 1955. The first half of 1956 shows a substantial rise in the output of cigarettes and smoking tobacco about .6 and 1.0 million pounds, respectively, over the corresponding period in 1955.

Imports of unmanufactured tobacco during the first 6-months of 1956 (3.1 million pounds) were considerably larger than imports during the same period in 1955 (1.5 million). The average price of tobacco taken was, however, considerably lower - 29 U.S. cents per pound compared with 64 U.S. cents in the first half of 1955.

UNION OF SOUTH AFRICA: Output of tobacco products during the period
January-June 1955-56

Product	January-June 1955	January-June 1956
	1,000	1,000
	<u>pounds</u>	<u>pounds</u>
Cigarettes.....	10,814	11,423
Cigars.....	14	17
Cigarette tobacco.....	16	13
Pipe tobacco.....	9,843	10,810
Total.....	20,687	22,263

Source: Union of South Africa, Monthly Trade Statistics, June 1956

IRISH FARMERS GUARANTEED

\$1.90 PER BUSHEL FOR MALTING BARLEY

A new price agreement for Ireland's malting barley has been announced by a negotiating committee of malting barley growers and Arthur Guinness, Son & Co. (Dublin) Ltd. The new basic price in 1957 will be 63 shillings and 6 pence a barrel (\$1.90 per bushel) for malting barley grown under contract and with a moisture content between 19 and 21 percent.

The basic price in 1956 was 60 shillings and 9 pence a barrel (\$1.82 per bushel) for barley of 20 percent moisture content, with an additional one shilling per barrel (3 cents per bushel) for each one percent below 20 percent, and with a deduction of one shilling for each one percent above 20 percent.

Under the new agreement, an extra 2 shillings a barrel (6 cents per bushel) will be allowed for barley with a moisture content below 19 percent. If the moisture content is between 21 and 23 percent, there will be a reduction of 2 shillings. Barley testing higher than 23 percent is unacceptable as malting barley.

It was also agreed that contracts would be made for a limited amount of barley of non-malting variety for "roasting", at a basic price of 46 shillings and 6 pence a barrel (\$1.39 per bushel). This is the same as the 1956 price.

EGYPTIAN GOVERNMENT
SEIZES RICE

The Egyptian Minister of Food Supply on January 10 announced that the Ministry has issued the following orders with respect to the handling of rice:

- "1. No paddy or decorticated rice will be transported out of any province without consent from the Supply Inspectorate of the Province (amounts less than 500 Kgs. (1,023 pounds) for personal consumption are excluded).
2. Rice mills are not allowed to mill any paddy rice without a permit from the Ministry of Supply.
3. The Ministry of Supply will determine the amount of paddy rice to be milled yearly by each mill. No miller will be allowed to mill more than his quota.
4. Millers, wholesalers and half-wholesalers are not allowed to dispose of any amount of their holdings of paddy or decorticated rice without a permission from the Ministry of Supply.
5. Millers, wholesalers and half-wholesalers are requested to send each Thursday a list of their remaining stock of paddy and decorticated rice and the amounts delivered, used, produced and sold of each kind during the week."

It was explained that one reason for issuing these orders is to control the handling of rice so as to know the real statistical position. These orders were indicated as not interfering with free trade practices. Every retailer can trade in rice as usual but should have a permit to transport it to the required place. Wholesalers, or half-wholesalers, or millers are not allowed to dispose of their rice without a permit from the Ministry of Supply.

A second reason is that a decision has been reached to export at once the surplus of rice which is now due to enter the foreign markets. If exports are delayed, it is believed the markets will be lost. The Ministry intends to export about 300,000 metric tons of rice this season, which is 60,000 tons above last year's exports. Allocations of 124,000 tons have been made from current stocks for immediate export and a like amount has been reserved for local consumption.

HUGE BUTTER STOCKS CAUSING CONCERN IN NETHERLANDS

Extremely large stocks of butter, according to Amsterdam newspapers, are forcing the export price of butter to the lowest levels in 4 years. Dutch cold storage stocks of butter during January were reported at 33.1 million pounds, about one-half the annual domestic consumption.

Stocks on hand in British warehouses were reported at over 55 million pounds. Under the pressure of the stocks the price of Dutch butter, as of January 17, 1957, had declined about 16 cents a pound on the U.K. market (see Foreign Crops and Markets, February 11, 1957); one week later it had retreated another 5 cents a pound to about 31.5 cents. Unsalted Dutch butter was bringing 40.5 cents a pound, ex quay, on a quiet market, according to reports from the London Provision Exchange. The Dutch Dairy Board is reported as paying a subsidy of 14.2 cents per pound on every pound of butter exported to Britain. New Zealand and Australian butters were quoted at 32.5 cents and 32.2 cents a pound, respectively, on January 24.

Butter production in Holland currently is slightly less than 1.6 million pounds a week, compared with an average of almost 5 million pounds weekly during June. Mr. B. van Dam, Chairman of the Dairy Board, said that while the world market situation is grave, the low butter output has caused a rise of slightly less than 1 cent a pound in the domestic wholesale price of butter. The price of fresh Dutch creamery butter at Leeuwarden on December 29, 1956 was quoted in Foreign Crops and Markets at 49.3 cents a pound. Domestic sales of cold storage butter are running at only 350,000 pounds a week, according to van Dam, and there is some thought of lowering the price of cold storage butter considerable under that for fresh creamery butter.

While the Netherlands hopes to sell about 1.8 million pounds of butter to Germany shortly, the Dutch have protested vigorously the recent sale of 1.1 million pounds of Danish butter to Belgium. The Dutch maintain that the Benelux Agricultural Protocol gave the Netherlands preference rights in the Belgian market.

VENEZUELAN GOVERNMENT SELLS CONTROLLING INTEREST IN DAIRY PLANT

The purchaser of Silsa, a government-owned pasteurizing plant in Caracas, has now been decided. The stock held by the Venezuelan Development Corporation was recently sold to the Asociacion Productores de Leche (Asoprole), a producers' cooperative, whose president promises a higher quality pasteurized milk output and erection of a butter and cheese factory to utilize seasonal surplus production. The reported price paid by Asoprole for 40,500 shares is equivalent to \$1.6 million.

ITALY OFFERS COURSES IN RICE GROWING

The Centre of Studies for Rice Culture of Vercelli, Italy, will offer a specialized course in rice growing from April 29 to July 31, 1957 in collaboration with the Vercelli Rice Experiment Station. The principal subjects will include appropriate material on (1) botany, agronomy, genetics, and chemistry, (2) water control and other cultural practices, and (3) marketing. Following this course, a training session for technicians and research workers on rice hybridization and selection will be held.

ITALY'S DAIRY TRADE UP

The Association of Italian Joint Stock Companies reports that Italy's cheese exports during the first 9 months of 1956 ran about 16 per cent above the level of 1955. During the January-September period of 1956 Italian exports of hard and semi-hard cheeses totaled 34.4 million pounds compared with a 9 month figure in 1955 of 29.5 million pounds.

The gain in exports was offset in part by an increase in the imports of hard and soft cheeses. During the first 9 months of 1955 9.8 million pounds of hard and soft cheese were imported, but for the same period in 1956 imports rose to 12.0 million pounds. Butter imports during the period at 58.9 million pounds were virtually unchanged from the 59.2 million pounds received during the January-September 1955.

FEDERATION OF RHODESIA RELAXES DOLLAR BUTTER IMPORT CONTROLS

The Federation of Rhodesia has announced relaxation of import controls from dollar areas on importation of butter during the first half of 1957. This would allow the entry of U. S. and Canadian butter.

Neither the U. S. nor Canada has shipped butter to the Federation during the past 2 years. In 1954 imports by the Federation totaled 5.2 million pounds with New Zealand supplying 3.0 million. Other exporters were Kenya and the Union of South Africa. The Union was the principal supplier in 1955 with 2.1 million pounds of the 4.0 million imports coming from that source.

NEW ZEALAND EXPANDS FROZEN FRUIT AND VEGETABLE EXPORTS

New Zealand, which recently started shipments of frozen vegetables to Australia in insulated boxes, deck loaded, aboard ships, is now extending the service to the United Kingdom. Shipment of 270 tons of frozen peas was made recently and several parcels of frozen sweet corn will be shipped in the next few weeks.

CANADA TO RENEGOTIATE POTATO CONCESSIONS

The Canadian Government intends to renegotiate its concessions on potatoes in the GATT agreements. Canada hopes to increase its duties on potatoes.

Since the United States will participate in any such negotiations, the Committee for Reciprocity Information has invited interested persons to submit views on the effect such action would have on U.S. trade.

Views may also be submitted with regard to products upon which the U.S. might request concessions from Canada in compensation for increased duties on potatoes. Suggestions as to upward modification of the U.S. concessions on potatoes will be received.

Applications for oral presentation of views shall be submitted to the Committee not later than February 27, 1957. The application must include an indication of the product or products on which persons or groups desire to be heard, an estimate of time required for the oral presentation, and the views of the person or group in writing. Written statements of persons who do not desire to be heard shall be submitted not later than March 6, 1957. Briefs should be addressed to, and further information can be obtained from, Committee for Reciprocity Information, Tariff Commission Building, Washington 25, D. C.

NEW ZEALAND APPLE SHIPMENTS STARTED

Gravenstein apples are now being loaded at Nelson and Wellington, New Zealand, for export to the United Kingdom.

The first ship of the year, the Cedric, to load at Nelson is due to arrive in the U. K. about March 11 with 10,000 boxes of apples.

EXPORT SEASON FOR SPANISH EARLY ORANGES NEARLY OVER

Navels, Cadeneras, and Comunas varieties of oranges will be nearly finished in Spain by February 15 and except for blood ovals the only varieties available for export will be Vernas and Valencia.

The crop of blood ovals is expected to be marketed mainly in France and West Germany and it is reported that the crop of Doblefinas, the best of the bloods, has been almost completely booked for these two countries. The bulk of the crop, however, is of poor color and small size.

Year	Cattle		Sheep		Horses		Hogs	
	1,000	Percent change	1,000	Percent change	1,000	Percent change	1,000	Percent change
1952.....	8,906	+12	1,105	+9	1,136	-8	5,237	-5
1953.....	9,371	+ 5	1,161	+5	1,054	-7	4,721	-10
1954.....	9,473	+ 1	1,183	+2	951	-10	5,425	+15
1955.....	9,666	+ 2	1,181	0	871	-8	5,981	+10
1956.....	9,843	+ 2	1,172	-1	817	-6	5,550	-7

1/ Percent change from preceding year.

AUSTRALIAN WOOL PRICES CONTINUE TO RISE

Wool auctions were held during the week ending January 25, at Brisbane, Adelaide and Albury with the sale of approximately 136,500 bales. There was strong demand from all sectors of the trade, especially for the medium and broader types of wool. Japan, United Kingdom, and Western Europe continued to be the principal buyers with good support from local mills and the United States.

Prices ranged from 1 to 5 cents higher with 56's and 58's showing the larger increase.

AUSTRALIAN WOOL PRICES

Wool Prices: Average raw wool costs, clean basis, on Australian auction floors, by quality classification.

(Current prices with comparisons)

Type and Grade	Week Ended		
	1-18-57	1-25-57	Year Ago 1-27-56
	-----U.S. DOLLARS PER POUND -----		
<u>Combing Wools</u>			
70's Good	1.66	1.67	1.31
Average	1.59	1.61	1.23
64's Good	1.50	1.51	1.14
Average	1.46	1.47	1.11
60's Good	1.35	1.37	1.01
Average	1.31	1.33	.99
58's Good	1.21	1.26	.95
Average	1.17	1.21	.92
56's Good	1.10	1.15	.89
Average	1.06	1.11	.88
50's Good	.98	1.00	.81
Average	.95	.97	.80
<u>Carding Wools</u>			
Merino	.92	.93	.77
Comeback	.83	.85	.72
Fine Crossbred	.79	.80	.68
Medium Crossbred	.77	.78	.67

Source: Wool Statistical Service Australian Wool Bureau.

CUBA AUTHORIZES IMPORTS OF URUGUAYAN JERKED BEEF

The Cuban government has authorized imports of jerked beef from Uruguay over the protests of the local Cattlemen's Association.

Since 1950 production of jerked beef in Cuba has been low mainly as a result of low fixed prices. Production has not increased sufficiently to meet the demand even though retail prices of jerked beef and of wholesale carcasses used in its production were increased on March 21, 1956.

In former years Uruguay was one of Cuba's regular suppliers of this product.

GERMAN OUTBREAK OF FOOT-AND-MOUTH DISEASE SHOWS SEVERAL TYPES

The recent outbreak of foot-and-mouth disease in West Germany reveals an unusual number of viruses. There were three types, A, O and C, with several subtypes identified by West German scientists. Usually only one or two viruses are identified in a normal outbreak.

Presence of the disease in the Northern German State of Schleswig-Holstein has caused Danish authorities to take measures for the conservation of vaccine against a serious outbreak. Sale of the vaccine on the Danish market has been rationed and foreign requests for Danish deliveries of vaccine have been refused by Danish authorities.

WOOL IMPORTS TO JAPAN ROSE IN 1956

Imports of wool in 1956 were 291.5 million pounds as compared with 205.4 million pounds in 1955, or an increase of 42 percent. On a value basis imports increased 35 percent from \$164 million to \$221 million in 1956. Raw wool now ranks third in value as an import commodity behind raw cotton and petroleum.

The sharp rise in Japan's wool imports, largely from Australia, has been a major factor in the strength of the wool market in recent months.

U.K. SUBSIDIES INCREASE DOMESTIC PRODUCTION OF MEAT

As a result of subsidies, United Kingdom farmers during 1956 produced 61 percent of the meat and 40 percent of the bacon consumed in the country, as against 51 and 29 percent, respectively, in the prewar period.

BRITISH STUDY PROBLEMS IN SAUSAGE MANUFACTURE

Problems in the manufacture of sausage such as the loss of preservatives during storage, the use of phosphates as emulsifiers and the effect of different manufacturing techniques on their appearance and storability have been reported by the British Food Manufacturing Research Association.

Studies have shown that sausage cooking losses have been significantly reduced by the addition of phosphate emulsifiers. In recent years a number of patents have been issued in England covering the use of different phosphate compounds or combinations. Use of emulsifiers also affects the texture and appearance of the finished product.

The investigators studied the loss of sulphur dioxide preservative as it was affected by storage temperatures. The retention of sulphur dioxide is desirable as it assists in preserving the desirable color of the product during the marketing period.

The Institute of Meat at London is now receiving bookings for distribution of a new film "How to Make a Quality Sausage." This 16 mm sound film, running about 25 minutes, is available on loan without charge for distribution in the United Kingdom.

MEAT SHORTAGE IN SYRIA

Syria has prohibited the export of all meat and meat products because of the present meat shortage caused by drought this winter.

Because of poor feed conditions and limited pasture, the nomadic herders of Syria have been forced to bunch their herds closely in areas where pasture is available. This concentration of animals has increased the danger of disease. However, the government is in a position to initiate a vaccination program whenever required to halt epidemics.

JAPANESE IMPORTS OF HIDES AND SKINS INCREASED IN 1956

Japanese imports of hides and skins in 1956 totaled 76,067 metric tons, compared with 61,763 metric tons in 1955 or an increase of 23 percent. In 1954 the U.S. supplied approximately 70 percent of Japan's imports of hides and skins.

IRELAND SHIPS MEAT TO ALGERIA

An Irish meat packing firm has contracted to supply 4.5 million pounds of beef to French forces in Algeria. The first shipment of around 1 million pounds will leave Dublin about February 10, 1957. This shipment is another example of the Irish drive to increase meat exports, and to develop other markets for Irish livestock products than the U. K. where Irish meat sales have dropped off sharply.

During the first 10 months of 1956 Ireland expanded beef exports to countries other than the U. K. by 92 percent above a year earlier, surpassing the level reached in the very good year of 1954. Comparable figures for exports to the U. K. indicate a drop of 38 percent in 1956, continuing the downward trend of the last few years.

Ireland: Exports of Carcass Beef, Jan.-Oct. 1954-56 1/							
Destination	1954		1955		1956		
	Mil. Lbs.	Index	Mil. Lbs.	Index	Mil. Lbs.	Index	
UK	63.0	100	22.0	35	13.6	22	
Other	10.2	100	6.6	65	12.7	124	
Total	73.2	100	28.6	39	26.3	36	

Source: Commonwealth Economic Committee

1/ With index equaling 100 for 1954.

CEYLON'S EXPORTS OF COPRA UP; COCONUT OIL DOWN

Ceylon's copra exports during January-September 1956 increased 8 percent from the corresponding period of 1955 while coconut oil exports decreased 4 percent. Combined exports of copra and coconut oil totaled 95,093 long tons, oil equivalent, a decrease of less than 1 percent from the first 3 quarters of 1955. The effects of the drought of early 1956 were not expected to influence exports until the last quarter of the year.

Copra exports during January-September totaled 42,491 tons of which nearly 98 percent was shipped to India.

Coconut oil exports through September amounted to 68,324 tons. Shipments to the United Kingdom, Italy, West Germany, Canada, Switzerland and Egypt were higher than those of the first 3 quarters of 1955. Shipments to the Netherlands, India and Pakistan were below those of the corresponding period of 1955.

CEYLON: Copra and coconut oil exports,
average 1935-39, annual 1954-55 and January-September 1955-56
(Long Tons)

Country	Copra			Coconut oil				
	Average: 1935-39	1954	1955 1/2	Jan.-Sept. 1955	Average: 1935-39	1954	1955 1/2	Jan.-Sept. 1955
Canada.....	-	-	-	-	8,523	5,191	15,200	10,299
West Indies.....	-	-	-	-	881	-	-	-
Denmark.....	1,605	-	-	-	35	-	-	-
France.....	354	-	-	-	347	100	200	200
Western Germany.....	1,482	-	-	-	1,200	647	4,217	4,113
Greece.....	1,526	-	-	-	120	-	-	-
Italy.....	6,541	-	2	-	1,724	17,004	23,690	15,177
Netherlands.....	-	-	-	-	-	6,186	12,860	10,345
Sweden.....	-	-	-	-	3,573	2,019	95	80
Switzerland.....	-	-	-	-	84	1,037	1,813	1,251
United Kingdom.....	420	-	-	-	4	6,110	10,572	8,515
Other Europe.....	4,573	-	-	1	5,913	626	395	363
China.....	-	-	-	-	2/	10,000	2,200	2,200
Cyprus.....	-	-	-	-	146	155	134	114
India.....	42,553	39,189	63,440	38,090	10,769	12,154	11,683	9,517
Iraq.....	20	115	774	639	315	403	173	73
Pakistan.....	-	6,568	3,915	491	-	1,324	5,600	4,185
Israel.....	-	-	-	-	15	51	-	-
Syria.....	60	-	-	-	164	38	34	34
Other Asia.....	360	149	218	151	2,406	3,496	3,664	1,641
Egypt.....	425	-	-	-	2,433	790	3,331	1,872
Union of South Africa..	-	-	-	-	2,597	162	295	272
Other Countries.....	8	4	4	4	3,608	1,423	1,070	982
Total.....	59,927	46,025	68,353	39,375	59,013	68,916	97,226	71,233
1/ Preliminary. 2/ Less than .5 ton.								

Compiled from official sources

URUGUAYAN WOOL PRODUCTION
INDICATED AT 172 MILLION POUNDS

A preliminary report of the agricultural census of Uruguay for 1956 shows wool production for the 1955-56 season (October-September) at 172 million pounds. This is slightly more than the 169 million pounds reported in the last census of 1951, but does not include unreported shipments to Brazil.

The number of sheep shorn was 25 million, also slightly above the census of 1951. The average fleece weight 6.9 pounds was virtually the same as in the previous census.

ARGENTINE PRODUCTION
AND EXPORTS OF MEAT
INCREASED SUBSTANTIALLY

Cattle receipts for the entire year of 1956 were 46 percent above the previous year. Both sheep and hog receipts were also high. Receipts of hogs during 1956 were 70 percent above those of 1955, and exports of pork were substantial.

Shipments of meat for the first 11 months of 1956 amounted to 569,832 tons, compared with 341,946 tons for the same period of 1955; the corresponding values were \$272 and \$181 million. It is forecast that 1957 shipments of meat will be even larger than 1956 in view of the large number of animals available.

VENEZUELA TO ESTABLISH
BRANGUS HERD

A herd of pure bred Brangus beef cattle from the United States will be established in the State of Tachira in Western Venezuela. The proposed herd will consist of about 200 bulls with a like number of cows. A nucleus of pure bred animals will be maintained, and the bulls will be used to upgrade the native or "criollo" cattle. According to reliable sources the Agricultural Bank (Banco Agricola and Pecuario) will finance the importations.

NEW ZEALAND LAMB CROP REACHES NEW HIGH

New Zealand's lamb crop for 1956 reached a new high of 25.4 million head, an increase of 560,000 over 1955. The lambing percentage (lambs saved per 100 breeding ewes) was down, however, due to an outbreak of facial eczema and mild drought. Thus the large lamb crop is a result of an increase of breeding ewe numbers from 26 to 27 million. Farmers have been building up their ewe flocks because of the continued high price of wool, although New Zealand lamb prices in England during 1956 averaged several pence per pound below 1955.

The average lambing percentage in New Zealand during the current season was 94.3 compared with 94.8 a year earlier. During the past 3 years the average lambing percentage in the United States has been 95, comparing favorably with that for New Zealand. In former years it was never above 90 percent.

Farmers and ranchers in the United States produced 20.4 million lambs from 21.4 million ewes (1 year old and over) in 1956.

SPANISH GOVERNMENT REDUCES ALMOND AND FILBERT EXPORT PRICES

The Spanish Government recently reduced its minimum export prices on almonds and filberts in response to the requests of Spanish exporters who found themselves unable to compete in foreign markets. Selected Valencia almonds (shelled) are now quoted at 87.5 cents per pound, f.o.b. port, representing a reduction of 11.5 cents from the previous level. Shelled selected filberts are now quoted at 53.5 cents, or 1.5 below the earlier price.

Despite this downward adjustment, Spanish minimum export prices are still above Italian and Turkish prices. Spanish exporters are hopeful of further reductions in the official minimums.

LARGE CHILEAN DRIED PRUNE CROP FORECAST

The 1957 dried prune crop in Chile is forecast at 5,500 short tons. The 1956 crop was estimated at 4,400 tons. The 5-year average (1950-54) is 3,800 tons. About 1,000 tons of the 1956 crop are still available.

LARGER CROPS AND LIVESTOCK NUMBERS REPORTED FOR SOVIET UNION IN 1956

Increased acreage and production of grains and several of other crops in the Soviet Union in 1956 is indicated by the official annual report on the fulfillment of the national economic plan. An increase of livestock products was also reported. No production figures, however, are given; only percentage increases, and even those are not on a uniform basis.

The total Soviet crop area increased by nearly 22,000,000 acres in 1956 and exceeded 480,000,000 acres. The acreage under all grains reached nearly 318 million acres compared with 312 million acres in 1955. The increase in the 1956 grain acreage would have been even larger were it not for the extensive winter killing of wheat and rye in the Ukraine and other European regions of the Soviet Union. Total grain production, including wheat, rye, oats, barley, corn, minor grains and the grain legumes, was reported to have increased in 1956 by approximately 20 percent compared to 1955. No actual figures of grain production, however, have been divulged since 1953, when the publication of the so-called biological or preharvest Soviet crop figures, which did not take into account the huge harvest losses, was stopped.

In the past few years there has been a change in the Soviet crop reporting procedure, which is based once again on the estimation of the harvested or "barn" crop as was the practice prior to 1933. However, only indices of grain production were published with an undefined base. Therefore, it is not known what was used for the calculation of the reported approximate 20 percent increase in 1956 production, and it is not yet possible to judge how objective and adequate is the new crop estimating system.

It is known, however, that the total Soviet grain figures included, for the first time in 1955 and again in 1956, a large quantity of corn, and not only dry grain but also a considerable proportion of unripe corn converted to dry grain equivalent. Corn acreage sharply expanded in the Soviet Union in 1955 and 1956 and much of the corn was cut for silage. It is possible that conversion of such corn to dry grain equivalent may have resulted in some overestimation. This should be born in mind with respect to private non-Soviet estimates which basing themselves on various clues, placed the Soviet 1955 grain crop at somewhat above 100 million metric tons (110 million short tons), as well as the 1956 crop which reportedly was approximately 20 percent above 1955.

Another factor should be also taken into consideration with respect to the 1956 crop. The reported large outturn is due primarily to the unusually favorable weather conditions in the spring wheat belt east of the Volga and Urals where a large expansion of acreage, mainly of wheat, on virgin or long uncultivated land took place during the past two years.

This is normally a dry area of precarious agriculture which, as recently as 1955, suffered from a severe drought. But abundant yields were claimed for many of these regions in 1956, in contrast to many of the normally more productive regions west of the Volga where weather conditions were unfavorable to small grains and corn. However, serious storage and transportation difficulties which developed in the eastern regions, coupled with the inclement weather during the harvest, undoubtedly resulted in abnormally heavy spoilage and low milling quality of grain. Therefore what may be called the effective or usable outturn of grain from the 1956 crop is doubtless significantly less than the claimed large harvested crop and government procurement figures may indicate.

Larger production of cotton, sunflower seeds and potatoes, and of some other 1955 crops was reported in 1956 compared with 1955, but the outturn of vegetables was somewhat smaller.

Livestock numbers were also reported at higher levels, as shown in the table below. There was a significant increase in hog numbers which were 8 percent larger on October 1, 1956, compared to the year earlier.

A rise also was reported in the number of cows. As a result of this increase, and especially of the large fodder supply, and possibly improved feeding practices, considerable progress was reported in milk production. From fragmentary Soviet data it is possible to calculate roughly a 16 percent increase in 1956 milk production over 1955, to more than 76 billion pounds. United States 1956 milk production was estimated at 127.0 billion pounds.

Livestock Numbers in the Soviet Union

October 1, 1953 to 1956

(in millions)

<u>Year</u>	<u>Cattle</u>	<u>Cows</u>	<u>Hogs</u>	<u>Sheep</u>
1953	63.0	26.0	47.6	114.1
1954	64.9	27.5	51.1	117.5
1955	67.1	29.2	52.2	125.0
1956	70.4	30.9	56.4	129.0

Official Soviet sources.

BURMA'S PEANUT PRODUCTION
DOWN 10 PERCENT

Burma harvested 208,430 short tons of peanuts from 816,070 harvested acres in 1956-57, according to the third official forecast. This is a decline in production of almost 10 percent from the 1955-56 crop of 228,480 tons harvested from 801,920 acres.

Burma's entire production of peanuts is consumed locally. However, output still is far from a self-sufficiency level and sizable quantities of peanut oil are imported annually, predominantly from India.

SECOND SURVEY CONFIRMS RECORD WORLD CORN CROP

World corn production in 1956-57 is estimated at 6,585 million bushels, on the basis of the latest information available to the Foreign Agricultural Service. A crop of that size would exceed the previous record harvested in 1955 by 310 million bushels and the 1945-59 average by 1,295 million.

The bulk of the increase is in the United States where the 1956 level of production has been exceeded only once and in the Soviet Union where sharply expanded corn acreage in the past 2 seasons has brought production to an unprecedented level for that area. Though the harvest in the United States was 154 million below the record crop in 1948, record carry-over stocks on October 1 bring total supplies of corn for the current year to the highest point on record. At the same time prospects for the crop in Argentina have been reduced drastically by drought and current indications are that there will be little if any corn available for export from that country, normally the world's principal corn exporter.

North America's current estimate of 3,685 million bushels exceeds all other years except 1948, when the total was 100 million bushels above this year's total. The near-record production in the United States represents 94 percent of the continental total and more than half of the world total. The near-record outturn in this country was harvested from the smallest acreage since 1890. The crop of 150 million bushels in Mexico was sharply above average though not up to the high level expected earlier in the season. Production was about 24 million bushels in Canada, the third largest corn producer of the area.

Corn production in Europe is somewhat smaller than the record crop produced there last year. Sharply reduced yields in the Danube Basin area account for the bulk of the reduction. A moderate reduction in Italy, the principal corn producer of western Europe, was much more than offset by a sharp increase in France. A substantial increase in France's corn acreage is due to a shift of damaged winter wheat acreage to coarse grains. Production in that country in 1956 was placed at 70 million bushels almost 7 times the 1945-49 average. Very high yields, as well as large acreage, account for the high production figure.

Sharp expansion of corn acreage continued in the Soviet Union, bringing the 1956 acreage in corn for all purposes to a level about a third above the unprecedentedly high total in 1955. The corn program bringing about the large increases of the past 2 seasons has resulted in an almost five fold increase over the 1954 acreage. A large proportion, perhaps a half or more of the 1956 crop, however, was harvested for green fodder, since the expansion extended into a number of the more northern and eastern regions where the growing season is too short for maturing corn for grain. This situation was aggravated by early frosts in many areas.

Estimates for Asia are still highly tentative since reports are not available from some of the largest producing countries. On the basis of available information, it appears that total production may be well above average and moderately above the 1955 total. The tentative estimate of 730 million bushels for 1956 is 15 percent above the prewar average (1935-39). Corn acreage shows significant increases over the prewar period in most of the principal producing countries.

Corn production in Africa is tentatively estimated at 340 million bushels, about the same as the large 1955 harvest. Since about half of Africa's corn production is in Southern Hemisphere countries, however, growing conditions up to April will play a large part in determining the final outcome. Conditions are reported generally favorable in most important growing areas.

The corn crop in South America is entering the final growth stage, with harvesting normally becoming general in late March in most areas. Drought is reducing crop prospects in some countries especially in Argentina. The outlook for that important exporting country is for a crop of 115 million bushels or less, compared with 152 million in 1955 and the prewar (1935-39) average of about 300 million bushels. If the outturn is as small as now forecast, export possibilities will be sharply curtailed. Severe drought damage to the crop is also reported from Uruguay.

Corn is of minor importance in Australia, the principal producer of Oceania. Production for the current season is forecast at 4.5 million bushels compared with the prewar average of 7 million. Reduced acreage accounts for the decline, with the current acreage only about 60 percent of the 1935-39 average.

CORN: Acreage, yield per acre, and production in specified countries, year of harvest averages 1935-39 and 1945-49, annual 1954-56 1/

Continent and country	Acreage 2/			Yield per acre 3/			Production		
	Average			Average			Average		
	1935-39	1945-49	1954	1935-39	1945-49	1954	1935-39	1945-49	1954
	acres	acres	acres	acres	bushels	bushels	bushels	bushels	bushels
NORTH AMERICA									
Canada	172	244	418	439	40.8	45.2	62.1	54.5	7,010
El Salvador	500	670	480	425	15.0	12.7	14.4	13.9	8,000
Guatemala	1,000	1,208	1,355	1,412	15.7	14.9	12.8	13.5	15,700
Honduras	5/ 253			5/ 253	14.0				3,717
Mexico	7,501	8,894	10,870	9,884	9.0	10.7	14.3	13.8	67,523
Nicaragua	86	174	294	295	40.0	16.0	14.1	14.7	1,500
United States	92,699	85,694	80,186	79,950	25.0	35.7	38.1	40.6	2,315
Cuba	360	433	435	440	16.7	16.3	15.4	16.5	6,000
Estimated total 6/	103,330	98,590	95,470	94,010	-	-	-	-	2,435,000
EUROPE									
Albania	235	242	-	-	21.5	20.7	-	-	5,067
Austria	163	152	148	126	39.2	25.5	43.1	42.5	6,384
Bulgaria	2,035	-	-	-	17.5	-	-	-	35,657
Czechoslovakia	285	353	-	5/ 285	31.6	25.8	-	-	9,000
France	839	649	1,014	1,119	26.3	16.2	37.1	43.7	22,096
Germany	85	-	-	-	47.1	-	-	-	4,000
Greece	650	582	647	-	15.5	14.7	15.5	-	10,073
Hungary	2,924	-	-	-	31.5	-	-	-	92,007
Italy	3,583	3,360	3,250	3,350	31.5	28.0	34.7	35.3	113,000
Portugal	1,235	1,238	1,201	1,207	12.1	10.0	12.7	11.7	15,000
Rumania	9,870	-	-	-	17.4	-	-	-	172,000
Spain	5/ 1,094	850	1,000	902	5/ 28.4	22.6	29.5	31.0	5/ 31,076
Yugoslavia	6,615	-	-	6,425	26.7	-	25.2	21.5	176,600
Estimated total 6/	29,680	27,490	27,030	27,510	-	-	-	-	695,000
U.S.S.R. (Europe and Asia)									
	10,000	7,550	-	-	17.0	15.0	-	-	170,000
ASIA									
Turkey	1,098	1,394	1,779	1,745	20.9	16.1	19.3	17.4	22,971
China	5/ 12,000	12,711	-	-	21.8	21.6	-	-	5/ 262,000
Manchuria	3,720	6,680	-	5/ 3,720	23.3	19.5	-	-	86,585
India 2/	5/ 7,611	9,310	8,910	8,910	12.2	10.3	12.6	11.3	67,240
Pakistan 2/	5/ 811	986	1,068	1,059	5/ 17.7	16.9	16.5	17.0	5/ 14,360
Indochina	1,053	-	-	-	21.2	-	-	-	22,365
Indonesia	5,800	5,500	6,220	5,030	15.2	15.6	17.2	14.7	88,000
Japan	128	133	168	183	24.2	21.7	20.2	21.6	3,094
Korea	221	-	-	5/ 221	13.0	-	-	5/ 4,177	-
Philippine Republic	1,765	1,820	3,440	2,540	8.9	10.1	9.4	10.0	15,715
Estimated total 6/	36,090	41,090	45,020	43,380	-	-	-	-	636,000
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Korea	221	-	-	5/ 221	13.0	-	-	5/ 4,177	-

AFRICA														
Belgian Congo	179	670	-	-	5/ 19.6	17.9	32.6	27.7	-	3,500	12,000	-	5,670	-
Kenya 3/	136	136	174	164	-	30.3	34.9	35.5	35.7	3,121	56,696	4,540	69,000	-
Egypt	1,599	1,699	1,977	1,903	1,925	39.7	34.4	35.5	-	63,508	10,074	10,890	10,890	70,500
French Morocco	1,112	1,260	1,228	1,210	-	7.6	8.0	9.0	-	8,505	-	16,180	-	-
French West Africa	5/ 1,732	-	1,695	1,703	-	12.4	9.9	9.5	-	5/ 21,473	2,472	-	-	-
Madagascar	260	214	-	-	-	15.3	11.6	-	-	3,969	12,900	-	-	-
Angola	1,435	-	-	-	-	9.0	-	-	-	12,859	5,298	-	-	-
Southern Rhodesia 8/	263	293	364	361	-	22.1	18.1	29.9	-	5,923	93,520	10,810	11,600	-
Union of South Africa	6,989	7,111	9,200	9,500	-	11.5	12.2	12.6	-	80,122	86,699	129,230	-	-
Estimated total 5/	13,210	19,390	23,050	23,290	23,260	-	-	-	-	245,000	265,000	350,000	345,000	340,000
SOUTH AMERICA														
Argentina	10,775	5,327	4,603	5,536	-	28.0	29.1	27.5	-	301,986	155,012	100,230	152,350	115,000
Brazil	10,025	10,866	13,894	13,600	-	21.5	20.7	19.1	-	215,153	224,400	263,370	260,000	-
Chile	110	114	132	136	136	22.7	22.6	31.9	-	2,496	2,578	4,030	4,340	-
Colombia	5/ 1,360	1,654	2,060	2,100	-	15.1	15.4	17.6	-	19,511	25,429	36,000	37,000	-
Peru	650	780	572	573	580	15.4	17.2	20.9	17.9	10,000	13,423	11,960	11,810	10,390
Uruguay	425	395	682	659	-	12.2	10.1	11.5	-	5,188	3,997	7,240	7,555	-
Venezuela	770	815	-	-	-	13.4	13.3	-	-	5/ 10,350	10,820	12,800	12,400	14,000
Estimated total 6/	24,930	20,810	23,830	24,510	23,890	-	-	-	-	575,000	450,000	450,000	500,000	465,000
OCEANIA														
Australia	314	222	170	200	200	22.4	26.6	22.5	22.5	7,030	5,899	5,100	4,500	4,500
New Zealand	7	7	3	3	-	43.4	55.6	66.7	-	318	389	200	-	-
Estimated total 6/	325	235	170	210	210	-	-	-	-	7,500	6,500	5,500	5,000	5,000
Estimated world total 6/	222,570	215,160	225,180	250,110	261,500	-	-	-	-	4,775,000	5,290,000	5,635,000	6,275,000	6,585,000

1/ Years shown refer to years of harvest in the Northern Hemisphere. Harvests of Northern Hemisphere countries are combined with those of the Southern Hemisphere which follow; thus the crop harvested in the Northern Hemisphere in 1956 is combined with preliminary forecasts for the Southern Hemisphere harvest which begins early in 1957. 2/ Figures refer to harvested area as far as possible. 3/ Yield per acre calculated from acreage and production data shown, except for incomplete periods. 4/ Revised estimates for Northern Hemisphere countries; for the Southern Hemisphere, revised preliminary forecasts. 5/ Average of less than 5 years. 6/ Estimated totals, which in the case of production are rounded to millions, include allowances for any missing data for countries shown and for other producing countries not shown. 7/ Figures for the period shown are not strictly comparable since figures for 1954-1956 include estimates for non-reporting areas, which were not included with earlier figures shown, though allowances were included in estimated total for Asia. 8/ Production on European holdings only. Allowances for native cultivation, not shown, are included in estimated total for Africa.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Agricultural Attaches abroad, results of office research, or other information. Preliminary estimates for countries having changed boundaries have been adjusted to conform to present boundaries.

TURKEY MARKETING RECORD FILBERT CROP

Turkey, long recognized as the leading producer and exporter of filberts counts 1956 production of filberts as the largest of record. Production for 1956, currently estimated as 143,000 short tons, unshelled basis, is two and one-half times greater than the off-season tonnage for 1955, and more than double the amount determined as average for 1949-53.

Table 1 - Turkish filbert production, 1953-56, including 5-year average for 1949-53

<u>Production year</u>	:	<u>Short tons, unshelled basis</u>
1953	:	51,000
1954	:	136,000
1955	:	57,000
1956	:	143,000
1949-53 Average	:	65,700

Table 2 - Turkish filbert exports, including principal countries of destination, 1954-55 and 1955-56

<u>Destination</u>	:	Sept. 1, 1954 - Aug. 31, 1955	:	Sept. 1, 1955 - Aug. 31, 1956
	:	- - - - Short tons, unshelled basis	:	- - - -
Austria.....	:	7,498	:	2,721
Belgium.....	:	2,983	:	214
Czechoslovakia.....	:	3,977	:	1,949
East Germany.....	:	2,549	:	3,968
United Kingdom.....	:	8,748	:	6,010
Finland.....	:	1,872	:	1,823
France.....	:	5,489	:	2,256
Netherlands.....	:	1,291	:	3,302
Hungary.....	:	1,497	:	1,880
Israel.....	:	3,002	:	926
Italy.....	:	6,089	:	1,803
Norway.....	:	1,448	:	220
Sweden.....	:	1,644	:	--
Switzerland.....	:	8,182	:	2,258
West Germany.....	:	39,917	:	28,503
Yugoslavia.....	:	1,166	:	368
Other countries.....	:	3,626	:	1,740
United States.....	:	<u>1,552</u>	:	<u>461</u>
Total exports.....	:	102,530	:	60,402

Exports

According to the most recent information available, exports for the 3-month period, September through November 1956, totaled 37,460 short tons, unshelled basis. Of the exports, 97 percent were shelled filberts. Exports of the 1955 Turkish filbert crop as of August 31, 1956 amounted to 60,402 short tons, unshelled. Tonnages of filberts exported, together with destinations, are shown in Table 2 for both the 1954-55 and 1955-56 seasons.

Market Situation

Most filbert importing countries appear to be making their purchases on a day to day basis in anticipation of lower prices usually associated with large crops. Until recently, the small price differential between Italian, Spanish, and Turkish filberts has been advantageous to Turkish filberts which are generally preferred in the international market. Italian prices, however, have been declining and are now approximately 4 cents per pound below the official minimum price for Turkish filberts.

The official minimum export price established for Turkish filberts is 51.7 cents per pound, f.o.b. net to EPU, Dollar, and Sterling countries. It is 59 cents per pound for clearing agreement countries. Turkish exporters have asked their government to lower export prices to 47.6 cents per pound to Dollar, Sterling, and EPU countries to facilitate sales and move the large stocks on hand. Speculation also exists over the possibility that an export subsidy designed to clear burdensome stocks, will be instituted as the spring months approach.

WORLD FLAXSEED PRODUCTION UP ONE-THIRD IN 1956

World flaxseed production in 1956 is placed at 170.7 million bushels according to revised estimates of the Foreign Agricultural Service. While this is almost 3 million bushels less than the first estimate, published in November, it confirms the early forecast of a near-record outturn. The harvest is estimated to have exceeded the 1955 crop by almost 45 million bushels and the prewar average by 37 million.

The major portion of the increase from 1955 occurred in the free areas of the world, largely Argentina, Canada, and the United States. However, a substantial expansion also is believed to have taken place in the Soviet Union. India is the only major producing country reporting a decline in output from the previous year.

The near-record harvest means that world supplies of flaxseed in the 1956-57 season are the largest in years. Availabilities for export as seed or oil from foreign countries appear to be about 55 million bushels, which approximates average world exports in recent years. About 17 million bushels will be available from the United States crop for export, delivery to Commodity Credit Corporation, or addition to commercial stocks. Since United States exports from this season's crop have been very small it is expected that CCC will acquire the bulk of this quantity. This season's average price received by farmers for 1956 crop flaxseed is estimated preliminarily at about 7 cents below the support level.

North American flaxseed production in 1956 increased 37 percent from the year before, or almost 23 million bushels, as a result of the record crop in Canada and the near-record crop in the United States.

Canada harvested an estimated 35 million bushels of flaxseed, over 75 percent more than the previous year and more than 3 times the 10-year (1945-54) average. The quality of the 1956 crop is below that of 1955, however, due to the lateness of the crop and early frost. The sharp increase from 1955 was due to a 70 percent increase in acreage and a 4 percent increase in average yields. Acreage has increased markedly each year since 1953. The expansion in 1956 in each of the 4 Western Provinces appears to have been induced in part by the favorable market conditions that have existed for flaxseed in the last 2 years. In addition, western farm deliveries of flaxseed, until the 1956-57 crop year, have been exempt from delivery quotas, in contrast to the delivery restrictions on other major grains. Moreover, because of large grain surpluses, government officials encouraged farmers to shift to oilseed crops.

Canada's supply of flaxseed available in the current marketing year for export and carryover is a record 27 million bushels, or almost double the supply in the previous year. Exports, totaling about 8 million bushels during the period August-December, were over 3 times the quantity shipped in the comparable period of 1955.

Production of 48.7 million bushels of flaxseed in the United States is nearly one-fifth larger than the 1955 output and exceeds the 10-year (1945-54) average by more than one-fourth. Farmers increased plantings by 12 percent and the average yield per harvested acre was 8.8 bushels compared with 8.3 in 1955. Expanded plantings are explained largely by relatively favorable prices of flaxseed at planting time, a shift in North Dakota from early spring grains to flax, and re-seeding abandoned wheat acreage to flax in Montana.

With a carryin of 4 million bushels of flaxseed, the total supply for 1956-57 is about 53 million bushels. Allowing about 32 million bushels for domestic use leaves approximately 17 million bushels for export and/or further addition to stocks. Exports of flaxseed and the seed equivalent of linseed oil thus far this season have been only about one-third last season's rate. Shipments in 1955-56 totaled 10.4 million bushels of flaxseed and 139.7 million pounds of linseed oil (equivalent to 7 million bushels of flaxseed).

Mexico's flaxseed production is estimated at only one-half million bushels and indicates negligible export availabilities.

European flaxseed production is estimated to have increased about one million bushels with the expansion accounted for almost entirely by France where output more than doubled that of the previous year. The increase resulted from the winter killing of wheat and rapeseed during the severe cold weather early in 1956 and the replacement of these crops, in part, by flaxseed. Production in other European countries was substantially the same as in 1955. Acreage and production in the Soviet Union appear to have increased in 1956 but are still believed to be considerably below the prewar level.

Production in Asia is estimated at about the 1955 level. Slightly smaller crops in India, Pakistan and Japan may have been offset by a substantial increase which was expected in Turkey from a flaxseed acreage almost double that of 1955. While India's harvest was down about 2 percent from 1955, production in that country has been stable in recent years at around 15 million bushels.

An increase of around 18 million bushels is forecast in the South American crop just harvested. The second official estimate places Argentina's outturn at 26 million bushels, almost three times the small crop of 1955. Plantings at 3.2 million acres compared with 1.7 million acres planted and 1.1 million acres harvested in the previous season were the largest since 1948. The announcement of an 87 percent increase in guaranteed prices to farmers, made well in advance of planting time, was largely responsible for the sharp expansion in acreage. The largest Argentine Crop in recent years was in 1952, when 23 million bushels were produced. Allowing 5 to 6 million bushels for domestic use, around 20 million bushels should be available for export and carryover stocks in the form of seed or oil.

The official estimate of production in Uruguay is 3 million bushels against 2 million in 1955. Brazil's output has been fairly constant at one million bushels in recent years.

Data are still incomplete regarding flaxseed production in Africa. Total output in each of the last 6 years has been about 3 million bushels. In Oceania, production has increased primarily as a result of the estimated one million-bushel crop in Australia compared with about a half-million bushel crop in 1955.

It now appears probable that another large crop of flaxseed may be produced in 1957. Canadian acreage is expected to be maintained largely as a result of the good demand for Canadian flaxseed during the last two years. In 1956 Argentina, at one time the world's major source of surplus flaxseed, reversed its downward trend in production of recent years, and sharply increased its output. The trend of United States acreage has been upward in recent years and is expected to be maintained or increased somewhat in 1957. The 1957 price support level for flaxseed in the United States has been established at \$2.92 per bushel--a reduction of 17 cents from 1956. The sales policy which will be followed with respect to flaxseed acquired by CCC from the 1956 crop has not yet been announced.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crop and Livestock Statistics. It is based in part upon reports of Agricultural Attaches and other U. S. representatives abroad.

FLAXSEED: Acreage, yield per acre, and production in specified countries and the world, average 1935-39 and 1945-49, annual 1954-1956 1/

Continent and country	Harvested acreage				Yield per acre				Production			
	Average		Average		Average		Average		Average		Average	
	1935-39	1945-49	1954	1955	1935-39	1945-49	1954	1955	1935-39	1945-49	1954	1955
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA												
Canada.....	307:	1,135:	1,206:	1,838:	3,141:	4.9:	8.1:	9.3:	11.1:	1,508:	9,252:	11,238:
Mexico.....	16:	101:	37:	25:	32:	6.9:	13.0:	15.9:	15.9:	111:	1,310:	591:
United States.....	1,451:	4,073:	5,653:	4,981:	5,545:	7.6:	9.6:	7.2:	8.8:	10,991:	39,108:	41,274:
Total.....	1,774:	5,209:	6,906:	6,844:	8,718:	-:	-:	-:	-:	12,610:	49,670:	61,385:
EUROPE												
Austria 2/.....	5:	6:	2:	1:	1:	7.1:	6.3:	-:	-:	36.4/	38:	-:
Belgium 2/.....	75:	69:	79:	88:	84:	8.9:	8.3:	9.8:	9.7:	664:	570:	769:
Denmark.....	-:	21:	3:	2:	3:	-:	17.6:	9.7:	-:	-:	377:	34:
Finland.....	9-2/ 4/	16.5/	4.6/	4:	-:	7.5:	10.7:	10.8:	-:	4/	120:	48:
France 2/.....	92:	85:	113:	143:	185:	5.0:	4.8:	11.9:	10.6:	464:	407:	1,342:
Germany, Western 2/.....	45-4/	45:	8:	8:	7:	10.6:	9.9:	12.4:	10.7:	476.4/	451:	101:
Greece.....	-:	-:	7:	-:	-:	-:	-:	-:	-:	79.4/	118:	39:
Italy 2/.....	30:	42:	44:	39:	37:	6.7:	8.6:	8.8:	10.6:	202:	362:	387:
Netherlands 2/.....	42:	37:	75:	80:	79:	13.0:	12.2:	12.5:	13.3:	546:	449:	941:
Spain 2/.....	6-4/	11:	37:	35:	40:	-:	2.2:	-:	-:	4/	23:	-:
Sweden.....	-:	53:	7:	2:	4:	-:	18.0:	16.1:	15.9:	-:	948:	114:
United Kingdom.....	4/	41:	3:	2:	2:	-:	16.0:	13.3:	-:	-:	652:	40:
Yugoslavia.....	3/	30:	3:	3:	2:	1.6:	2.7:	6.2:	5.9:	52.4/	80:	18:
Estimated total 1/.....	350:	470:	385:	415:	455:	-:	-:	-:	-:	2,610:	4,600:	4,025:
Estimated total, other Europe 1/.....	295:	365:	680:	700:	705:	-:	-:	-:	-:	2,695:	2,710:	5,235:
Estimated total, all Europe (excluding U.S.S.R.) 1/.....	645:	835:	1,065:	1,115:	1,160:	-:	-:	-:	-:	5,305:	7,310:	9,260:
U.S.S.R. (Europe and Asia) 2/.....	6,434-4/	3,465:	3,800:	-:	-:	5.1:	4.3:	-:	-:	32,115:	14,780:	-:

FLAXSEED (cont'd)

[illegible]

1/ Harvests of the Northern Hemisphere countries are combined with those of the Southern Hemisphere which immediately follow; thus the crop harvested in the Northern Hemisphere in 1956 is combined with the Southern Hemisphere harvest which begins late in 1956 and ends early in 1957. Estimates do not include China where annual production of cotton probably varies from 1 to 2 million bushels. 2/ Preliminary. 3/ Acreage includes area for fiber. 4/ Average of less than 5 years. 5/ Flax and hemp. 6/ Acreage for seed only. 7/ Includes estimates for the above countries for which data are not available and for minor producing countries. 8/ Some area. 9/ Officially reported figures plus Indian official estimates for unreported tracts for 1935-39 only. Estimates for unreported tracts for 1945-56 not available. 10/ Prior to 1945 figures for India include Pakistan. 11/ 1935 only. 12/ Flax grown for seed only. 13/ Less than 500 acres and 500 bushels.

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TURKEY IMPOSES FIRMER CONTROLS OVER PISTACHIOS

As part of its efforts to limit the volume of pistachios smuggled into Syria, the Turkish Government issued a declaration in November which requires all producers to declare stocks held in excess of 22 pounds per family. The responsibility for purchasing and exporting pistachios was delegated to the quasi-government cooperative located at Gaziantep adjacent to the Syrian border and it was further decreed that no stocks be moved without official approval.

The most recent estimate of pistachio production is 14,300 short tons, unshelled. This is an 11 percent upward revision of earlier estimates for the 1956 crop. It represents an increase of nearly 6,000 tons over the 8,400 short ton unshelled figure for 1955.

GOOD HOME MARKET FOR LARGE TURKISH WALNUT CROP

The 1956 Turkish walnut crop is reported to be very large and favored with a strong domestic demand situation. Inasmuch as most Turkish walnut production is consumed within the country, it is difficult to predict the impact of the current large crop upon the international market. It is further reported that prices for the 1956 crop of walnuts in the domestic market are up 25 percent over those for the previous season. Since the export of walnuts is not subsidized, foreign buyers may find it difficult to compete with local purchasers. 1955-56 exports of Turkish walnuts amounted to 1,920 short tons, unshelled basis.

OPENING PRICES FOR COMMONWEALTH CANNED FRUIT

The London trade has recently furnished minimum prices for the new Australian and South African canned fruit pack. The prices quoted are for January 28, 1957 and the basis of these prices is c.i.f. London. Despite unfavorable weather, apricot prices are generally lower than for the past two seasons; yellow cling peaches somewhat higher due to crop damage; Bartlett pears and pineapple about the same.

Commonwealth canned fruit prices are controlled by the respective fruit industry boards. Price rebates for quantity shipments during the season are made separately. The quotations which follow disclose that for the first time uniform prices are no longer quoted for Commonwealth canned fruit other than Bartlett pears and pineapple.

Reports further indicate that the glutted condition of the United Kingdom canned apricot market continues, but that the need for peach imports possibly from the United States appears probable. It is still too early to ascertain the adequacy of the pear supply.

COMMONWEALTH MINIMUM CANNED FRUIT PRICES

	1957	1956	1957
	So. Africa	So. Africa & Australia	Australia
<u>Case sizes</u> <u>grades</u>	- -	<u>Dollars per dozen</u>	- -
<u>Apricots (halves)</u>			
24/2½'s Choice	3.78	3.85	3.71
24/2½'s Standard	3.50	3.57	3.43
24/2½'s Second	3.36	3.43	3.29
48/1's Choice	2.31	2.35	2.28
48/1's Standard	2.17	2.21	2.14
48/1's Second	2.10	2.14	2.07
<u>Y. C. Peaches</u>			
24/2½'s Choice	4.24	4.03	4.41
24/2½'s Standard	3.96	3.75	4.13
24/2½'s Second	3.82	3.61	3.99
48/1's Choice	2.56	2.45	2.66
48/1's Standard	2.42	2.31	2.52
48/1's Second	2.35	2.24	2.45
<u>Pears (Bartlett)</u>			
24/2½'s Choice	4.41	4.27	4.41
24/2½'s Standard	4.13	3.99	4.13
24/2½'s Second	3.99	3.85	3.99
48/1's Choice	2.66	2.56	2.66
48/1's Standard	2.52	2.42	2.52
48/1's Second	2.45	2.35	2.45

Pineapple

	1957 S. African & Australian	1956 S. African & Australian
	:	:
	:	:
Slices	:	:
24/2½'s Choice	4.27	4.20
24/2½'s Standard	3.99	3.99
48/1's Choice	2.94	2.94
48/1's Standard	2.80	2.80
48/1's Choice	2.45	2.45
48/1's Standard	2.31	2.31
Pieces, etc.	:	:
24/2½'s Choice	3.99	:
24/2's Choice	2.80	2.94
48/1's Choice	2.31	2.28
24/2½'s Standard	3.43	:
24/2's Standard	2.43	2.80
48/1's Standard	2.03	2.22
	:	:

ARGENTINE PEAR EXPORT OUTLOOK GOOD

Argentine pear export prospects are for shipments of about 300 thousand boxes to United States markets during the canning season.

Prices, loaded on wagons in Buenos Aires railroad station, not including unloading, pre-cooling, etc., are about 3.00-3.35 for Williams and 5.00-5.55 for Packham and D'Anjou.

Present Argentine export regulation provides for the export of at least 70 percent of pears grading choice before exports of standard grade will be permitted.

LARGEST GREEK CURRANT CROP SINCE 1941

The 1956 currant crop in Greece is now estimated at 100,000 short tons, the largest in 15 years. This bumper crop comes on the heels of last year's short crop of 72,000 tons. Average production (1949-53) is 88,600 tons.

The recent announcement of a Greek-Soviet Union trade agreement which provides for the purchase from Greece of 12,000 short tons of dried fruit has bolstered the sagging currant market. It is believed that Russian purchases under this agreement will consist mainly of currants.

DUTCH PEA EXPORTS EXPECTED TO INCREASE

Exports of dry peas from the Netherlands have been below normal thus far in the current marketing season, due to low priced stocks of 1955 crop peas held in Germany and the United Kingdom. Traders in the Netherlands, however, expect exports to show a rising trend for the balance of this season which would be contrary to normal. Normally, the peak of Netherlands exports of peas appears at the beginning of the season. The Dutch expect their entire exportable surplus to be sold this year.

ITALY'S COTTON IMPORTS AND
CONSUMPTION ON HIGHER LEVEL

Italy's cotton imports increased sharply during August-October 1956, amounting to 157,000 bales (500 pounds gross) or 28 percent higher than the 123,000 bales imported in the same months of 1955. Imports from the United States amounted to 69,000 bales in the current period, increasing even more sharply to double the volume of 32,000 bales imported a year ago. Increased imports were also noted from Mexico, Turkey, and Iran, in contrast to declines from Egypt, the Sudan, and Pakistan.

Quantities imported from major sources in August-October 1956, with comparable 1955 figures in parentheses were: United States 69,000 bales (32,000); Turkey 18,000 (8,000); Brazil 14,000 (17,000); Sudan 11,000 (18,000); Mexico 11,000 (3,000); Iran 9,000 (4,000); Egypt 6,000 (12,000); Pakistan 2,000 (9,000); and Greece 2,000 (4,000).

Cotton imports into Italy during the August-July 1955-56 season amounted to 693,000 bales or 6 percent higher than imports of 655,000 bales in 1954-55. Imports from the United States, however, were only 121,000 bales or less than half the volume of 251,000 bales imported in the previous year, largely as a result of the availability in 1955-56 of most foreign growths at prices below the United States support level.

Imports of United States cotton are expected to continue the uptrend in the next few months, partly as a result of the lower prices effective under the new program for exports of cotton from stocks of the Commodity Credit Corporation. Availability of financing under terms of P. L. 480, by allocations of dollar exchange, and other trade arrangements were also contributing factors. Some cotton mills, reportedly, have covered requirements up to June 1957, and spinners are fully satisfied with the quality of United States cotton so far.

Italy's cotton consumption also showed a marked improvement in the early months of the 1956-57 season, amounting to 110,000 bales in August-September, or an increase of 12 percent over the 98,000 bales consumed in August-September 1955. Trade sources reflect encouraging prospects for the coming year. Exports of cotton textiles have not expanded, but sales of cotton yarn to weavers have shown marked improvement over previous months.

Cotton consumption in Italy during the 1955-56 season amounted to 750,000 bales, down 6 percent from consumption of 800,000 bales in 1954-55. Consumption of United States cotton accounted for about 25 percent of the total in 1955-56, but is expected to rise to more than 50 percent in the current year.

Italy produces a small amount of cotton, averaging about 5 percent of total consumption in recent years. Production in 1956-57 is estimated at 64,000 bales from an area of approximately 130,000 acres, or about the same level as the 1955-56 crop of 63,000 bales from 133,000 acres.

Cotton stocks on August 1, 1956, were estimated at 160,000 bales or practically the same as the 159,000 bales held a year earlier. The anticipated increase in imports is expected to rebuild stocks to an approximate 5-months' supply, as compared with the 3-months' supply available during most of the 1955-56 season.

Cotton prices in Italy trended slightly upward during August-October 1956 with marked fluctuations in prices of Egyptian cotton as the result of disturbances in the Middle East. United States cotton was sold in fairly large quantities with quotations, depending on grade, rising by 100 to 300 points during the period. In substitution of Egyptian cotton, Italian spinners have partially fulfilled extra long staple requirements with some Pima, Sudanese, and American-Egyptian, although demand for these qualities has been limited. Russian cotton has been sold only sporadically in the Italian market, even when the price was slightly lower than those for comparable United States grades. Greek and Syrian growths have not found a large interest by spinners, largely because of high prices of the former, and scarcity of dollars required to finance purchases of the latter.

Arrangements are nearing completion for the 2-year program for expanding the consumption of cotton goods on the Italian domestic market. This program is being undertaken jointly by the Italian cotton industry through the Italian Cotton Institute of Milan, and the National Cotton Council of America.

PAKISTAN'S SECOND OFFICIAL COTTON ACREAGE ESTIMATE BELOW LAST YEAR

Pakistan's second official estimate of the 1956-57 cotton acreage is for an area of 3,384,000 acres, 4 percent below the final estimate of 3,540,000 acres for 1955-56. Early estimates are usually somewhat lower than the final figures, however, and comparison with the second estimate for last year's crop indicates an 8 percent increase in area. Acreage for the 1956-57 crop of American-type cotton was placed at 84 percent of the total or 2,837,000 acres. Acreage for Desi cotton was estimated at 547,000 acres.

Cotton production from the 1956-57 crop is tentatively estimated at about 1,350,000 bales (500 pounds gross) down considerably from earlier estimates as the result of damage from heavy rains, floods, and pests in some districts of Lahore, Rawalpindi, and Multan divisions, and insect pests in the cotton growing tracts of Hyderabad region. Pakistan's 1955-56 cotton production amounted to 1,420,000 bales.

AUSTRIA IMPORTS MORE U. S. COTTON THAN LAST YEAR

Austria's imports of United States cotton increased sharply during August-October 1956, amounting to 14,000 bales (500 pounds gross) or more than 3 times the 4,000 bales imported in the same months of 1955. Imports from all sources amounted to 24,000 bales in the period under review, an increase of 14 percent over the 21,000 bales imported during August-October 1955. Reduced quantities in the current quarter from Egypt, Syria, and Brazil, were offset by the increased imports from the United States, as well as small increases from Peru, the Sudan, and Mexico.

Imports during the entire August-July 1955-56 season amounted to 111,000 bales, as compared with 96,000 in the previous year. The United States and Egypt were the principal suppliers in both years, with large quantities also shown from the USSR and Mexico in 1955-56. Imports from the United States accounted for nearly 30 percent of total imports in each year, those from Egypt for about 20 percent.

AUSTRIA: Imports of cotton by country of origin average 1934-38, annual 1953-55, August-October 1955 and 1956.

(Bales of 500 pounds gross)

Country of origin	Year beginning August 1				August-October	
	Average					
	1934-38 <u>1/</u>	1953	1954	1955	1955	1956
Belgian Congo.....	11	0	2/	0	0	0
Brazil.....	6	7	9	4	2	2/
Egypt.....	27	26	21	22	4	1
India.....	<u>3/</u> 25	1	2	3	2/	2/
Mexico.....	4/	2/	4	13	1	2
Nicaragua.....	4/	0	1	4	2/	1
Pakistan.....	<u>3/</u>	5	3	5	1	0
Peru.....	4/	2/	3	3	1	2
Syria.....	4/	2/	6	6	2	0
Turkey.....	4/	4	8	3	2/	0
United States.....	94	50	28	30	4	14
U.S.S.R.	4/	1	5	17	4	3
Other countries.....	4	7	6	1	2	1
Total.....	167	101	96	111	21	24

1/ Calendar years. 2/ Less than 500 bales. 3/ India includes Pakistan prior to partition in 1947. 4/ If any, included in other countries.

Source: Association of Austrian Cotton Spinners and Weavers, Agricultural Attaches and other United States representatives abroad.

Cotton consumption in Austria during 1955-56 amounted to 104,000 bales, down 3 percent from consumption of 107,000 bales in 1954-55. This decline was attributed to liberalization of textile imports from the OEEC area and increasing competition in world textile export markets. Indications for consumption in 1956-57 are for a return to the higher level of 1954-55. The volume of orders on hand at the beginning of the year and some increase in domestic consumer demand are among the factors for the more favorable outlook. Orders for numerous kinds of cotton wear by the new Austrian army, as well as improvement in exports of cotton yarns to traditional prewar outlets in eastern Europe may further stimulate production.

Cotton stocks on August 1, 1956, were estimated at 29,000 bales, an improvement of 45 percent from stocks of 20,000 bales held a year earlier.

INDIA'S PEANUT CROP ESTIMATED STILL LOWER

The 1956-57 peanut crop in India, at one time indicated as a record crop, now reportedly may be even smaller than the recently estimated 4,480,000 short tons, unshelled basis, according to information available to the Foreign Agricultural Service. (See Foreign Crops and Markets of February 4, 1957.) The Bombay market for oilseeds in January is reported to have risen to the highest level "in a long time."

The sharp reduction from the initial estimate of the Indian peanut crop stems largely from the heavy rains that fell in October and November. The rains are reported to have reduced the number of pods per plant. Moreover, the aftermath of rainy conditions contributed to difficulties in harvesting the crop. As a result, private estimates indicate that production in several of the major producing areas of India have declined substantially and that the crop may eventually total even less than last year's 4.3 million tons.

Thus far there has been no announcement by the Indian Government of export quotas for either peanut oil or hand picked select (H.P.S.) peanuts, despite that country's difficult foreign exchange position. Rumors among traders in central markets, like Bombay and Madras, indicate that the recent sharp rises in the prices of both peanuts and peanut oil reflect a real scarcity of supplies. Pipe lines were reported as being almost empty at the beginning of the new crop year (December) and arrivals at central markets, since the new season opened, have been far below normal. Consequently, it is becoming increasingly doubtful that any significant quantity of peanut oil will be exported from India this season.

ECUADOR INCREASES ITS AGRICULTURAL EXPORTS

Exports during 1956 of Ecuador's three major crops -- bananas, coffee, and cacao -- showed an increase in value over 1955, largely due to higher prices and greater volume of coffee shipments. Bananas were down slightly in number of stems and up slightly in value, although it is understood that the weight of the individual stems was greater during 1956 than in the preceding year. Cacao proceeds were slightly lower in spite of a substantial increase in shipments. Quantities exported were as follows:

	<u>1955</u>	<u>1956</u>
Bananas	23,775	22,953 1,000 stems (as reported)
Coffee	385,667	414,717 60-kilo bags
Cacao	54,222	66,392 1,000 pounds

VENEZUELA TO IMPORT SESAME SEED
FOR DOMESTIC USE

Venezuela may import about 6,600 short tons of sesame seed in 1957 if the recommendation of the Venezuelan Copra Commission, which convened January 29, is carried out.

Owing to a prospective poor 1957 crop that is expected to yield but 14,300 tons of seed--sufficient to meet only 65 percent of the total annual requirement--the Commission recommended that sesame seed equivalent to 30 percent of annual needs be imported.

The crop in 1956 is estimated to have been 22,000 tons.

ARGENTINA EXPORTS OLIVE OIL

The Argentine Olive Growers' Association and the Chamber of Exporters announced February 3, 1957, that government cooperation has enabled Argentine olive growers to export a total of 5,592 short tons of olive oil and 5,071 tons of olives. The olive oil, which was shipped to France, the United States, Italy, Portugal, Cuba, Brazil, Mexico, Germany, South Africa, and other countries, netted about 5 million dollars.

JAPAN'S SOYBEAN IMPORTS RANK SIXTH IN VALUE OF TOTAL IMPORTS

Japan imported 26.0 million bushels of soybeans valued at 83.7 million dollars in 1956 compared with 29.7 million bushels valued at 98.2 million dollars in 1955. Over 70 percent of the total came from the United States.

Soybeans ranked sixth in value of all agricultural commodities imported into Japan 1956, representing 7.1 percent of the total value of all agricultural imports.

EXPORT OF AUSTRALIAN FEED MOLASSES RESTRICTED

It is unlikely United States firms will be able to obtain molasses for feed or industrial purposes from Australia in the near future.

For a number of years export of molasses from Australia other than molasses for medical purposes was prohibited to all destinations except New Zealand and a number of nearby Pacific Islands. However, with the expansion of the sugar growing industry after 1952, the output of molasses increased and restrictions were relaxed during 1954, 1955 and 1956.

At present the consumption of molasses in Australia is keeping pace with increases in molasses production. In order to safeguard supplies for the Australian market, last December the Department of Primary Industry, the controlling authority, advised that all applications for the export of molasses are to be referred to it for consideration. An exception to this regulation is the export of molasses to New Zealand and certain Pacific Islands and medicinal molasses packed in containers of not more than 2 pounds net weight. Exports to New Zealand and specified Pacific Islands must not exceed the normal exports and must be for consumption on the island to which consigned.

About 55 percent of the Australian molasses production is sold to the distilleries, about 25 percent is used for fertilizer on cane fields, 15 percent is sold for livestock feeding and the remaining 5 percent is burnt in mill furnaces or runs to waste. The sugar industry likely will remain stabilized at its present level for sometime. Accordingly, Australian future increased requirements may have to be imported from either Indonesia and Mauritius. Australia already obtains small supplies from these countries and Fiji.

PUBLICATIONS RELATING TO U. S. FOREIGN AGRICULTURAL TRADE

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